

Run Ping Zhou  
3567 Kimberly Road  
Cameron Park, CA 95682  
Tel: 415-518-5690

FILED

08 JUL -2 PM 12: 36

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

Mei-Fang Lisa Zhang, et al.  
Plaintiffs

VS.  
Wei-Man Raymond Tse, et al  
Defendants

( Case No: C-07 04946 JSW  
( ( Related to C-05 02641 JSW)  
(  
( DEFENDANT RUN PING ZHOU'S  
( MEMORANDUM AND POINTS  
( SUPPORTING  
( OPPOSITION TO MOTION TO DISMISS  
( COUNTERCLAIM OF DEFENDANT  
( RUN PING ZHOU FOR FAILURE TO  
( STATE A CLAIM UPON WHICH RELIEF  
( CAN BE GRANTED ( FED.R.CIV.P12(b)(6)  
( Date: August 29, 2008  
( Time: 9:00 am  
( Courtroom: 2, 17<sup>th</sup> Floor

I. SUMMARY OF ARGUMENT

My Counterclaim states that Mei-Fang Lisa Zhang was a Defendant by violation of the Consent Order. Zhang was doing illegal trading of foreign currency futures even when she knew the case of CFTC vs. NICI and other Defendants. So Zhang does not have jurisdiction over me.

The case of CFTC vs. NICI and other Defendants lasted almost two years and the Court had been hearing all the arguments. The CFTC and State of California ultimately settled with NICI and other Defendants, and the Court entered the Consent Order of Permanent Injunction On September 1, 2006. The Court had the conclusion on me, and I had to sign the Consent Order and paid for my lesson. I respect the Court and my case was over.

The Consent Order enjoined the defendants therein from the violations of the CEA, regulations promulgated thereunder, and the California Corporations Code alleged in the CFTC Action (Consent Order at 10-12). The Consent Order bound the defendants herein; any officer, agent, servant, employee, or attorney of such defendants, and any person receiving actual notice of the Consent Order to he or she is acting in active concert of participation with the defendants herein (Id. II 5, at 12-13).

The CFTC and the Court drew a clear line by the Consent Order and the allegations in the Consent Order listed all the laws that should not be violated by anyone. Since then, I have not been involved in any foreign currency futures trading and I have never done any thing to violate the Consent Order. Even many times repeatedly the Plaintiffs state the facts listed in the Consent Order against me, they could not change the truth and the Court would not order me to sign another Consent Order of Permanent Injunction based on the fact that I have not violated the Consent Order relief by the CFTC and the Court on September 1, 2006.

My counterclaim states the facts that Mei-Fang Lisa Zhang was a Defendant by violation of the Consent Order, so the Court has jurisdiction over Mei-Fang Lisa Zhang. The Court may write its own order against Zhang based on the facts that she had been doing illegal trading of foreign currency futures for four years and the facts on how much she made in illegal commissions to cause her clients to lose money.

If the Plaintiffs request the Court dismiss my counterclaim, they have to request the Court dismiss the Consent Order relief by the CFTC and the Court on September 1, 2006. But the CFTC and the Court stand toward the matter in the Consent Order that all the conclusions must not be changed, so the Consent Order must not be dismissed, and then the Court should not dismiss my counterclaim, and it means that Mei-Fang Lisa Zhang has to sign a Permanent Injunction Order as the Court may deem just and proper.

If the Plaintiffs use all the laws listed in the Consent Order to sue other Defendants then the laws are violated again, and state other Defendants are RICO enterprise, then that means Mei-Fang Lisa Zhang "was part of a RICO enterprise", whose purpose was to defraud and steal money from Jen and her niece Yuan-Chun Zhang or her other clients.

It is clear that Zhang ought to be moved by the Court from the Plaintiffs' bench to the other bench, the Defendants', because the Court stands toward all the laws listed in the Consent Order relief by the CFTC and the Court on September 1, 2006.

## II. FACTS

I told the truth that I left NICI in December 2004, and I have proved that I was not part of a RICO enterprise in my Answer and Counterclaim. I deny that I stole money from investors that has been proved by the CFTC as they researched my personal financial record.

Zhang caused her client Jen to lose money because she made a lot of commissions by over trading on Jen's investment account in four years. Zhang has the responsibility to show the Court all her pay checks during her illegal trading of foreign currency futures from 2003 to 2007. She ought to be punished by the Court as a defendant even she put herself in the plaintiff's position and tried to take advantage of the Court.

Zhang told a lie to the Court that she was not told about the Consent Order until "in late February 2007", the propose was to cover the truth that she kept illegally trading of foreign currency futures even after the Consent Order relief by the CFTC and the Court on September 1, 2006. She could not show any law to allow her to lie to the Court, so she avoided reply my Counterclaim against her and she requested the Court to dismiss my Counterclaim.

Even Zhang's Complaint told the facts against other Defendants by violation of the Consent Order, but she did not tell any facts and evidence against me by violation of the Consent Order. So Zhang's Complaint against me is legally deficient. As she admitted the Consent Order which had the conclusion on me, then she could not sue me again based on the same facts already listed in the case of the CFTC vs. NICI and other Defendants.

Plaintiff Jen's Complaint told the facts against other Defendants by violation of the Consent Order, but he did not tell any facts and evidence against me by violation of the Consent Order. So Jen's Complaint against me is legally deficient. As he admitted the Consent Order which had the conclusion on me, then he could not sue me again based on the same facts already listed in the case of the CFTC vs. NICI and other Defendants.

My Counterclaim against Jen requested him to explain why he did not take an action after the CFTC filed a Complaint against NICI and other Defendants. Did he lie to the Court or Zhang told him a lie? He should reply my Counterclaim and tell the truth to the Court.

My Counterclaims pointed out that Plaintiffs Xue-Huan Gao, Yang-Chun Zhang, Carol Jian Deng, and Hao Liang did not tell any facts and evidence against me because their Complaint against other Defendants had happened after I left NICI in December 2004. So their Complaint against me is legally deficient. Also my Counterclaims requested them to explain to the Court, why they did not know the case of the CFTC vs. NICI and other Defendants but only were told by Zhang. Did they make up the story and tell a lie with Zhang? They should reply my Counterclaim and tell the truth to the Court.

### III. CONCLUSION

For the reasons set forth above, I respectfully request that the Court deny the Plaintiffs' Motion to Dismiss Counterclaim of Defendant Run Ping Zhou for Failure to State a Claim upon Which Relief Can Be Granted, and request that the Court dismiss the Plaintiffs' Complaint against me.

Dated: July 2, 2008

Respectfully Submitted

Flora Zhou

Defendant Run Ping Zhou a.k.a. Flora Zhou